

TATA COFFEE LIMITED

Annual Report 2018-19



good to
grow

About Tata Coffee

With business activities ranging from growing and curing of coffee and tea to the manufacture and marketing of value-added coffee products, Tata Coffee has a hand in every aspect of the coffee-making process. With utmost emphasis on sustainability and traceability, we are a leading player in the B2B instant coffee space. We also have a strong presence in the segments of Indian-origin green coffee beans, pepper and tea.

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Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected – readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



Good to grow

The romance associated with a perfectly brewed cup of coffee is brought to life by the untiring efforts of our people, who work hard to understand and satisfy evolving customer aspirations.

We look at growth not just in terms of numbers, but through the wide prism of superior experiences that we offer our customers globally and the opportunities that we create for our people and the wider stakeholder community. At Tata Coffee, our focus has been on growth that is holistic and binds all stakeholders together.

The coffee industry remains a dynamic environment and we are continuously seeking new growth opportunities. Over the years, we have charted a path of sustained growth driven by our strategic pillars of differentiation, premiumisation, capacity expansion and innovation.

We are well on our way to grow and achieve new milestones. If all this sounds good, read on for more.

Key highlights of 2018-19

₹98 CR

Profit
before tax

₹703 CR

Revenue
from operations

₹3.83

Earnings
per share



CORPORATE IDENTITY

Nurturing the romance of coffee for decades

We trace our roots back to 1922 and are one of the world's largest integrated coffee cultivation and processing companies today. Part of the globally-respected Tata group, we produce some of the finest instant coffee, Indian-origin green coffee beans, pepper and tea. With sustainability and traceability at the heart of everything that we do, we also serve the Tata group's overarching objective of improving the quality of life of the communities we are present in.

Mission

Create distinctive long-term value for all stakeholders with coffee and allied plantation products embracing sustainable practices.

Values

- Customer focus
- Responsibility
- Innovation and Agility
- People-centric
- Transparency

Portfolio



Instant coffee

Our soluble coffee plants use modern technologies to give our customers the highest quality coffees.

📖 >> 08



Pepper

Pepper is inter-cropped with tea and coffee across our estates.

📖 >> 10



Green bean

We grow our premium coffee beans in the hills of Coorg and Chikmagalur.

📖 >> 09



Tea

We cultivate tea in the districts of Karnataka, and the Annamallais in Tamil Nadu.

📖 >> 11

19 coffee
estates spanning

~8,000 HA*

in South India

Exclusive

supplier of roast and
ground coffee to TATA
Starbucks India

95%

coffee is
premium
export quality

2

roasteries, one of
which is dedicated to
Starbucks

100%

water capacity
for Robusta
plantation irrigation

Tata Coffee
at a glance

3

instant coffee
plants (2 in India
and 1 freeze-dried
plant in Vietnam)

~50%

of our employees
are women

7 tea estates
straddling

~2,400 HA*

* Total cultivated area

CORPORATE IDENTITY CONTD.

Building a global presence

Green coffee bean

Markets

Western Europe
Middle East
India
USA
Australia

Our estates

Anandapur (A)(R)	Woshully (A)(R)
Balamany (A)(R)	Yemmigoondi (A)(R)
Cannoncadoo (A)(R)	Gubgul (A)(R)
Cottabetta (A)(R)	Goorghully (A)(R)
Coovercolly (A)(R)	Karadibetta (A)(R)
Jumboor (A)	Merthikhan (A)(R)
Margolly (A)(R)	Mylemoney (A)(R)
Nullore (A)(R)	Ubban (A)(R)
Pollibetta (A)(R)	Valparai (A)(R)
Sunticoppa (A)	

Pepper

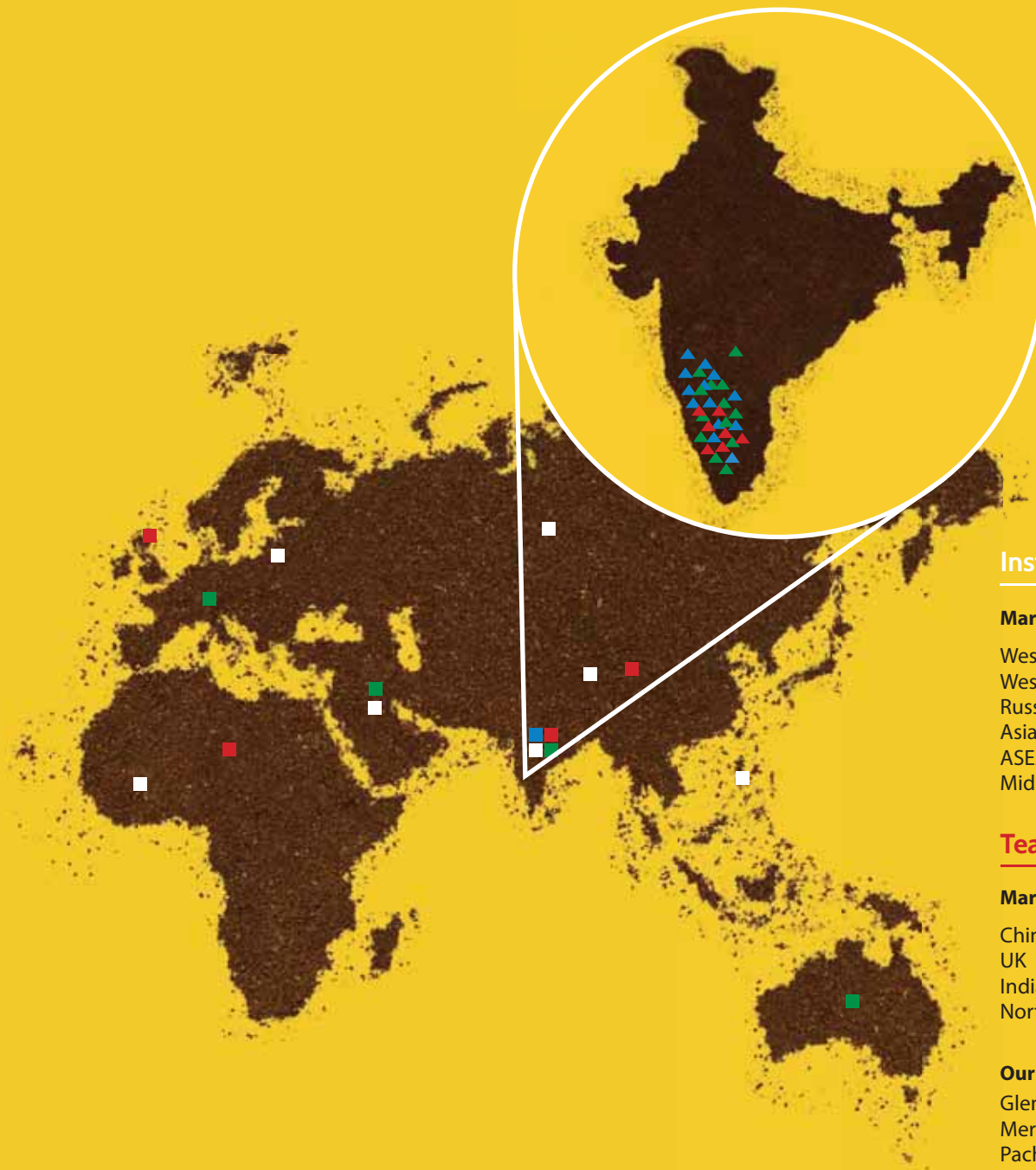
Markets

USA
India

Our estates

Anandapur	Sunticoppa
Balamany	Woshully
Cannoncadoo	Yemmigoondi
Cottabetta	Gubgul
Coovercolly	Goorghully
Glenlorna	Karadibetta
Jumboor	Merthikhan
Margolly	Mylemoney
Nullore	Ubban
Pollibetta	Valparai





Instant coffee

Markets

Western Europe
West Africa
Russia
Asia-Pacific
ASEAN
Middle East

Tea

Markets

China
UK
India
North Africa

Our estates

Glenlorna
Merthikhan
Pachamalai
Pannimade
Uralikal
Velonie
Malakiparai

(A) Arabica

(R) Robusta

■ Markets

▲ Our estates

LETTER TO THE SHAREHOLDERS

Building on our legacy



Dear shareholders,

On behalf of Tata Coffee, I sincerely thank you for your continued support. It has been an incredibly humbling journey for me to serve and now lead Tata Coffee. I would also like to thank my predecessor, Sanjiv Sarin, for steering the Company to new heights over the past four years. Having worked all my professional career in Tata Global Beverages, its associate companies and now Tata Coffee, I feel immense pride and great satisfaction to be a part of the Tata group. I watch with awe and marvel at how the group touches and positively impacts millions of lives world over.

At Tata Coffee we have seen success, and we truly understand that it is not a 'what' that drives us, but a 'who'. Our journey, our success, is really about our people. Our industry is one that is critically dependent on skilled hands and experience. Our Company is fortunate to have teams whose expertise, knowledge and talent rival their passion and commitment to the brew.

Our objective in the past was to perfect the cuppa and deliver it to every coffee drinker. It is now our belief that we not only grow and curate exceptional coffee beans, but we also produce the finest instant coffee, tea and pepper. As we look forward, we aspire to create holistic value, at a larger scale, for every stakeholder along the supply chain.



I am happy to report that the 2018-19 fiscal, despite all the challenges of vagaries of weather, volatility in terminals and forex, has been an exciting year for Tata Coffee and our adherence to our strategy leaves us confident of a better year ahead.

The coffee landscape is inherently dynamic. Tastes and preferences globally are constantly changing and we know that there is already a discernible shift towards premium products. Consumers are increasingly seeking the best quality products at the right price. I believe in the next decade, beverage enthusiasts across the world will evolve rapidly and to stay relevant, we need to ensure that we evolve and stay ahead of the curve.

We are diversifying our interests and laying greater emphasis on

adjacencies in the plantation sphere. We are ramping up the volume of our business by debottlenecking the supply chain, eliminating redundancies and rationalising intermediaries. Innovation is of paramount importance to ensure we accomplish more and quickly. We are pursuing efficiency in everything we do and are working towards a more cost-competitive model by investing in new technologies, further lessening our environmental impact and building our resources.

By redefining our go-to-market approach, we are continuing to develop stronger relationships directly with our customers. In markets where we can generate higher value by serving differentiated blends, we have focused on investing in new categories. Our new plant in Vietnam is the first step in our larger objective of

acquiring a global footprint. All these efforts will impact the Company's top-line growth and deliver strong performance in the coming year and in the following years.

The seeds of growth have been sown; and we start the next phase of our journey together. We will harness the power of the Tata Coffee ecosystem to achieve our ambition of being the finest coffee and allied products company and drive sustainable and profitable growth.

Very few companies have the three elements required for long-term success: skill, passion and commitment. That we are well on track to achieve our ambitious targets proves that Tata Coffee has all three in adequate measure. As the new MD & CEO, I could not have asked for a better foundation.

I would like to once again thank our shareholders for their continued support.

Chacko Purackal Thomas
MD & CEO

AS WE GEAR UP FOR THE NEW YEAR,
WE LOOK BACK WITH SATISFACTION AT
THE PAST 25 YEARS OF THE COMPANY'S
TRANSFORMATIONAL JOURNEY. IT HAS
BEEN A JOURNEY OF HISTORIC MILESTONES
AND WE LOOK TO THE FUTURE WITH
GREAT EXCITEMENT.

BUSINESS OVERVIEW

Our growing business

We operate through four primary segments, catering to global roasters, instant coffee players and tea and pepper markets. Our focus continues to be on co-creating blends and preparing customised offerings for specific geographies while upholding environment-friendly practices.

INSTANT COFFEE

Our offerings

- Freeze-dried coffee (FDC)
- Spray-dried coffee (SDC)
- Agglomerated coffees
- Coffee mixes

Key highlights

A 5,000-MT FDC plant in Vietnam, marking our first overseas foray and the third instant coffee unit after Theni and Toopran

Total capacity

8,400

MTPA; India

5,000

MTPA; Vietnam

Fact file

- We are one of India's only two producers to produce premium FDC
- We have an R&D laboratory certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL)
- We have a fully-automated SKU packaging lines across pouches, tins and glass jars

UP TO ~75%
OF OUR
TOTAL ENERGY
REQUIREMENT
AT OUR THENI
UNIT IS SOURCED
FROM RENEWABLE
SOURCES.